

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,	)	
to implement the provisions of Sections 173 and	)	Case No. U-18383
183(1) of 2016 PA 342.	)	
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At the May 11, 2017 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman  
Hon. Norman J. Saari, Commissioner  
Hon. Rachael A. Eubanks, Commissioner

**ORDER AND NOTICE OF OPPORTUNITY TO COMMENT**

On December 21, 2016, Governor Rick Snyder signed 2016 PA 342 (Act 342) into law.  
Act 342 amends 2008 PA 295 (Act 295) by, among other things, amending Section 173,  
MCL 460.1173, which now requires the Commission to establish a distributed generation program  
within 90 days of the effective date of Act 342.<sup>1</sup> Section 173(1) states:

The commission shall establish a distributed generation program by order issued not later than 90 days after the effective date of the 2016 act that amended this section. The commission may promulgate rules the commission considers necessary to implement this program. Any rules adopted regarding time limits for approval of parallel operation shall recognize reliability and safety complications including those arising from equipment saturation, use of multiple technologies, and proximity to synchronous motor loads. The program shall apply to all electric utilities whose rates are regulated by the commission and alternative electric suppliers in this state.

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<sup>1</sup> Act 342 was effective April 20, 2017.

Section 183(1), which was added as part of Act 342, MCL 460.1183(1) provides an option whereby a customer may elect to continue to participate in the existing net metering program, established by Act 295, for up to 10 years from the date of enrollment.

Additionally, on December 21, 2016, Governor Rick Snyder signed 2016 PA 341 (Act 341) into law. Section 6a(14) of Act 341, MCL 460.6a(14) requires the Commission to conduct a study on the appropriate tariff for customers who participate in the net metering program or the distributed generation program within one year of the effective date of the Act. Section 6a(14) provides:

Within 1 year after the effective date of the amendatory act that added this subsection, the commission shall conduct a study on an appropriate tariff reflecting equitable cost of service for utility revenue requirements for customers who participate in a net metering program or distributed generation program under the clean and renewable energy and energy waste reduction act, 2008 PA 295, MCL 460.1001 to 460.1211. In any rate case filed after June 1, 2018, the commission shall approve such a tariff for inclusion in the rates of all customers participating in a net metering or distributed generation program under the clean and renewable energy and energy waste reduction act, 2008 PA 295, MCL 460.1001 to 460.1211. A tariff established under this subsection does not apply to customers participating in a net metering program under the clean and renewable energy and energy waste reduction act, 2008 PA 295, MCL 460.1001 to 460.1211, before the date that the commission establishes a tariff under this subsection, who continues to participate in the program at their current site or facility.

### Discussion

The Commission recognizes that the applicable sections of these statutes may cause administrative inefficiencies and customer and supplier confusion if the Commission were to require a distributed generation program with updated tariff sheets to be established for each rate regulated electric company and alternative electric supplier within 90 days of the effective date of Act 342, and then require updated tariff sheets at the conclusion of rate cases filed after June 1, 2018.

To address these concerns, the Commission Staff (Staff) met with participants of the Distributed Generation Program Workgroup prior to the effective date of Acts 341 and 342 and proposed a “business as usual” approach in which the net metering program would continue unchanged until the conclusion of the tariff study and the conclusion of the rate cases filed after June 1, 2018, thereby limiting the number of tariff revisions to one round. In addition, the Staff proposed that any customers who enter and participate in the net metering program prior to the conclusion of the rate cases filed after June 1, 2018, may elect to continue receiving service under the net metering tariff for up to 10 years, as provided under Section 183(1) of Act 342.

The Commission would like to provide interested parties an opportunity to comment on the following:

- Would a “business as usual” approach as discussed above fulfill the requirements of Section 173 of Act 342?
- Does Section 183(1) of Act 342 allow customers to enroll in the net metering program until the conclusion of the rate cases filed after June 1, 2018, and continue receiving service under this tariff for up to 10 years from the date of enrollment?
- If the Commission were to determine that Section 183 of Act 342 does not apply to new net metering customers (*e.g.*, customers who enter the net metering program after the effective date of the Act), how should the Commission proceed in order to provide clarity to customers and suppliers until the new distributed generation program tariffs are in place after June 1, 2018?

Any person may submit written or electronic comments and reply comments regarding interim issues in the development of a distributed generation program. Comments must be filed with the Commission and must be received no later than 5:00 p.m. on June 1, 2017. Reply comments must be received no later than 5:00 p.m. June 15, 2017. Written comments should be sent to: Executive Secretary, Michigan Public Service Commission, P.O. Box 30221, Lansing, MI 48909. Electronic

comments may be e-mailed to [mpscedockets@michigan.gov](mailto:mpscedockets@michigan.gov). All comments should reference Case No. U-18383. All information submitted to the Commission in this matter will become public information available on the Commission's website and subject to disclosure.

THEREFORE, IT IS ORDERED that interested parties may file written or electronic comments on the net metering and distributed generation programs under Sections 173 and 183 of 2016 PA 342. Comments must be received no later than 5:00 p.m. on June 1, 2017, and reply comments must be received no later than 5:00 p.m. on June 15, 2017.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so by the filing of a claim of appeal in the Michigan Court of Appeals within 30 days of the issuance of this order, under MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel. Electronic notifications should be sent to the Executive Secretary at [mpscdockets@michigan.gov](mailto:mpscdockets@michigan.gov) and to the Michigan Department of the Attorney General - Public Service Division at [pungpl@michigan.gov](mailto:pungpl@michigan.gov). In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General - Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

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Sally A. Talberg, Chairman

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Norman J. Saari, Commissioner

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Rachael A. Eubanks, Commissioner

By its action of May 11, 2017.

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Kavita Kale, Executive Secretary